

MANAGEMENT OF CO-OPERATIVE INSTITUTION AND 97th AMENDMENT

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Abstract:

In India after 65 years of independence some changes are taking place in Maharashtra Co-operative Act. 97th amendment affects on the important provisions of Co-operative Act. Co-operation is the subject under State Govt. Liberalization has adversely affected on co-operative institutions and co-operative movement is criticized on all the fronts. Reliability of the Co-operative institution is also reduced in the last 10-15 years. Reasons are different but the central Govt. is going to create the reputation of co-operative movement which is lost in last 10-15 years. So we should see 97th amendment positively. It is not intention of the Central Govt. to control the co-operative movement, but Govt. is going to maintain the discipline by promoting voluntary formation, autonomous functioning, democratic control and professional management of co-operative societies.

INTRODUCTION

In Maharashtra there are 2, 28,000 co-operative institutions. The number of members in these institutions is 5 crore 70 lacs and these co-operation institutions provide employment to more than 20 lacs people. All these institutions, members and employees are worried about 97th amendment, what will happen they don't know.

It is also said that Central Govt. should not interfere in the day to day affairs of the co-operatives; it is the policy of the Govt. not to interfere in the day to day affairs of the co-operative societies, nor there is any provision in the constitution providing any power to the Central Govt. even for any action or directive got the governance of co-operative societies. Leaving aside the interfere in day to day working of the co-operatives; we should accept the recommendations positively.

It is expected that Govt. should create comprehensive central model Law for Voluntary formation, autonomous functioning, democratic control and professional management of the co-operatives with certain incentives and disincentives to the state that implement or not implement the model law. The states can enact their own law on the subject; however state Law should be compatible with the Central Model Law.

The department has made it clear that the said model law will not serve the purpose, because such model law would be only advisory in nature and it is for the State Govt. to follow the suit or not. In fact it cannot be termed as "Central Model Law". The recommendations of the 'Model Co-operative Act' as recommended by Choudhari Brahma Prakash Committee are already there but the states are not adopting them in their States Act.

The basic aim to bring this amendment is to provide for certain provisions in the constitution regarding the conduct of elections, audit, tenure and size of the board etc. which are considered basic to the democratic and professional management of co-operative and being the constitutional provision these will be mandatory to be confirmed in the State legislation.

By 97th amendment following new changes are going to take place.

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1.Board of Director:

New provisions are taking place regarding size of the Board which is maximum 21, tenure of the board, procedure of filling the vacancy in the Board. In some co-operative institutions, existing number of directors in the board is 26. Number is reduced up to 21 and so they are not satisfied.

2.Reservation in the Board:

Central Govt. by 97th amendment has proposed reservation for only 3 seats out of 21. One is for S.C/S.T. and 2 are for females. It is also not mentioned female of which category. But State Govt. is going to increase the number of reservation up to 5 and it is proposed that one seat is to be reserved for OBC and one seat for VJNT, but this will not create any problem because on open seats managements can take reservation candidates.

3.Aided and Unaided Institutions:

Proposed 97th amendment has clearly mentioned that there will be difference between aided and unaided institutions. The institutions which get financial assistance or any grant from any Govt. will be treated as aided institutions and those which don't get any type of financial assistance or any type of grant will be treated as unaided institutions. Govt. has no any power to take action on unaided institutions.

4.Elections of the Co-operative Institutions:

According to the new provisions co-operative department will have no any power to conduct the elections of co-operative institutions, separate Election Commission is to be formed by the State Govt. and Ex-Secretary of Co-operative department would be the Election Commissioner to conduct the elections Cabinet Ministry of the State Govt. is going to take decision before 15th of Feb. 2013. Officers of the co-operative department will have no any power to conduct the elections. So that influence of the co-operative officers will be reduced.

5.Active Membership:

Concept of active membership is introduced by this 97th amendment. A member who attend the general Meeting and participate in the working of co-operative institution will be treated as active member, and only these members will get the voting right in elections. It means nominal members will not get such voting right, and it is good thing for that particular co-operative institution.

6.Audit:

According to new provision the co-operative institution will get power to appoint the Statutory Auditor, and the right of co-operative department to appoint the auditor comes to an end. It is thought that the management will appoint an auditor to protect their interest, but it is also thought that an institution which will work better will remain into existence. They should be alert, diligent and careful.

7.Co-option:

The amendment provides that co-opted members shall not cast vote in the election, and number of co-opted directors should not exceed two. They will advice only in the working of the institutions.

8.Right to Information:

As per the new provision members of any institution can only get the Right to Information for his transactions only. He will not get the information of transactions of other members, and those who are not members will not get any type of information under RTI Act 2005 of that particular institution. But when members are active, they can exercise control on affairs of the society.

9.Administrator:

According to the new amendment Administrator will be appointed on any co-operative institution

MANAGEMENT OF CO-OPERATIVE INSTITUTION AND 97th AMENDMENT

only for six months, and after the six months he will have to handover the charge to elected members. It means that for mismanagement board can be dismissed, but only for six months.

10. Offences and Punishment:

Which act will be an offence and what will be the punishment is mentioned in this provision, so that the Directors will work honestly, carefully.

All the provisions are important and effective. They will affect favorably on the functioning of the institution. We should look toward this amendment positively, and people working in co-operative institutions should take proper message behind the 97th amendment.